



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Health Agency	(2) MEETING DATE 12/15/2020	(3) CONTACT/PHONE Liz Pozzebon, 805-781-4395	
(4) SUBJECT Request to adopt a resolution authorizing and directing the County Health Officer, or her designee, to reduce annual application fees for certain health permits for Calendar Year 2021, extend the payment period, and prorate fees for certain businesses that provide notification of closure in response to COVID-19 during Calendar Year 2021. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board adopt a resolution authorizing and directing the County Health Officer, or her designee, to invoice a reduction to previously approved annual application fees for certain health permits for Calendar Year 2021, extend the payment period, and prorate fees for certain businesses that provide notification of closure in response to COVID-19.			
(6) FUNDING SOURCE(S) County General Fund	(7) CURRENT YEAR FINANCIAL IMPACT \$255,398	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input checked="" type="checkbox"/> Board Business (Time Est. <u>30</u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? N/A	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>11/17/2020</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) All Districts			



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Michael Hill, Health Agency Director
Penny Borenstein, M.D. Health Officer-Public Health Administrator

DATE: 12/15/2020

SUBJECT: Request to adopt a resolution authorizing and directing the County Health Officer, or her designee, to reduce annual application fees for certain health permits for Calendar Year 2021, extend the payment period, and prorate fees for certain businesses that provide notification of closure in response to COVID-19 during Calendar Year 2021. All Districts.

RECOMMENDATION

It is recommended that the Board adopt a resolution authorizing and directing the County Health Officer, or her designee, to invoice a reduction to previously approved annual application fees for certain health permits for Calendar Year 2021, extend the payment period, and prorate fees for certain businesses that provide notification of closure in response to COVID-19.

DISCUSSION

During a public hearing on November 17, 2020 for adoption of an ordinance implementing the County Fee Schedule "A" for Calendar Year 2021 and Fee Schedule "B" for Fiscal Year 2021-22, the Board of Supervisors directed staff to return to the Board with potential mechanisms to provide temporary relief to certain businesses requiring a health permit and whose operations may have been significantly impacted due to COVID-19 (listed as Fee Indicators 1001-2010). This Board letter is responsive to that request.

The COVID-19 pandemic has uniquely impacted operations and capacity for certain businesses that are required to pay a fee within the category identified by the Board, particularly bars, restaurants, certain other retail food businesses and body art facilities. Earlier in the pandemic, between March and May, restaurants were limited to take out or delivery services only. Commencing in June, the State guidelines later allowed for limited indoor and outdoor dining at varying times. During this same time, bars were either closed, or allowed to open in a limited capacity if meal service was provided. State guidelines also restricted body art facilities from opening for business for at least 6 months. In addition, with gatherings significantly restricted, Certified Farmers Markets could continue to operate, however, the number of participating vendors was reduced. As of the date this Board letter was written, increased

restrictions are again being imposed. For example, indoor dining at restaurants is no longer permitted. In contrast, other businesses that are required to pay an annual permit fee have been less impacted. For example, although COVID-19 operational requirements have been in place since the beginning of the pandemic, retail food markets have continued to operate as an essential business.

It is anticipated that bars, restaurants, the other retail food businesses identified in Exhibit A to the proposed resolution and body art facilities will continue to be similarly impacted in 2021. Since it is difficult to ascertain what the pecuniary impacts will be, staff has formulated a proposed percentage reduction to the previously approved annual health permit application fees for Calendar Year 2021 for bars, restaurants and the other-identified retail food businesses (25%) and body art facilities (50%) based on the general nature and duration of the operational restraints that were imposed in Calendar Year 2020. For new businesses or businesses undergoing a change in ownership during Calendar Year 2021 as well as for businesses that temporarily cease operations (discussed below), they would be invoiced the reduced fee (in addition to any applicable proration) provided that the local Proclamation of Emergency is still in effect at the time application or notification of intent to resume operations is made. In addition to this reduction, two additional measures have been proposed. First, extending the time within which the identified businesses can pay their health permit renewal fee to March 31, 2021. Second, applying the provisions of the County Code related to quarterly proration of fees to an identified business that has temporarily ceased operations due to restrictions imposed by COVID-19 provided that: (1) they provide notification of the closure on or before February 1, 2021 and (2) the period of closure is not less than one continual quarter and commences on or before January 1, 2021. Consistent with the current limitations on proration set forth in the fee schedules, the resolution provides that under no circumstances shall the fee be reduced to an amount less than the applicable hourly rate approved by the Board.

Not included in the category of Fee indicators 1001-2010, are public swimming pools (Fee indicator 7005-7012). However, staff recommends the relief measures discussed above, including a 25% reduction to the previously approved annual fees during Calendar Year 2021, also be made applicable to public swimming pools because they have been equally impacted by intermittent closures during varying time periods. For instance, between March and May residential/homeowners association type community pools were closed. Between March and June all other pools at hotels, motels, or other public spaces were closed. Although these public swimming pools could eventually open with COVID-19 operational modifications, spa pools/hot tubs remained closed until late October. In addition, indoor public swimming pools, although allowed to open with COVID-19 modifications during June, had to close again according to State guideline restrictions.

Each fee indicator proposed for reduction during Calendar Year 2021 is specifically enumerated in Exhibit A to the proposed resolution (Attachment 1). In addition, staff has attached a list of all fee indicators (1001-2010 and 7005-7012), including those not recommended for the reduction in Attachment 2 for purposes of Board discussion.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the resolution as to form and legal effect.

FINANCIAL CONSIDERATIONS

Adoption of this resolution authorizes the Health Officer or her designee to provide a one-time health fee permit reduction for designated food facilities, body art facilities and practitioners, and public swimming pools as well as to prorate the fees under certain circumstances. Staff recommendations include a 25% health permit fee reduction to public swimming pool facilities and retail food businesses more significantly impacted by State guidelines, and a 50% health permit fee reduction for body art businesses. If the recommended resolution is adopted, based on budgeted number of permitted facilities at this time, it is estimated that there will be a \$255,398 General Fund support impact due to a revenue shortfall.

RESULTS

To provide temporary financial relief to health regulated facilities that have been most significantly impacted by the COVID-19 pandemic business guideline restrictions.

ATTACHMENTS

1. Resolution authorizing the County Health Officer to Provide One Time Health Permit Fee Invoice Reduction and Other Temporary Relief Measures
2. Full Listing of Fee Indictors 1001-2010 and 7005-7012
3. PowerPoint